Cranfield UNIVERSITY
School of Management

The 2002 Female FTSE Report

Women Directors moving Forward

By

Dr Val Singh

Senior Research Fellow

Prof Susan Vinnicombe

Director

Cranfield Centre for Developing Women Business Leaders

Cranfield School of Management
Cranfield University
Cranfield
Bedford
MK43 0AL

Tel: +44 (0) 1234-751122
Fax: +44 (0) 1234-751806
Email: v.singh@cranfield.ac.uk
Centre Website: www.cranfield.ac.uk/som/ccdwbl

TABLE OF CONTENTS

2002 Female FTSE Index: Companies with Women Directors

Rank 2002	% Female Board 2002	Company (bold = has female exec directors)	Women directors	Board size	Female Directors (Executive directors shown in bold)	Chairmen	Rank 2001
1	27%	**Marks & Spencer**	3	11	**Alison Reed, Laurel Powers-Freeling**, Dame Stella Rimmington	Luc Vandevelde	1
2	25%	**J. Sainsbury**	3	12	**Sara Weller**, June de Moller, Bridget Mackaskill	Sir George Bull	27
3	23%	**Astrazeneca**	3	13	Dame Bridget Ogilvie; Dr Erna Moller, Jane Henney	Percy Barnevik	3
3	23%	**BAA**	3	13	**Margaret Ewing**, **Janis Kong**, Val Gooding	Marcus Agius	37
5	21%	**Legal & General**	3	14	**Kate Avery**, Frances Heaton, Beverley Hodson	Rob Margetts	3
6	20%	**Bradford & Bingley**	2	10	**Rosemary Thorne**, Diana Courtney	J. Lindsay MacKinlay	*
7	18%	BOC	2	11	Julie Baddeley, Fabiola Arredondo	Rob Margetts	9
7	18%	**Pearson**	2	11	**Dame Marjorie Scardino (CEO), Rona Fairhead**	Lord Stevenson	17
7	18%	Shell Transport & Trading	2	11	Dr Eileen Buttle, Mary Henderson	Philip Watts	6
10	17%	GlaxoSmithKline	2	12	Dr Lucy Shapiro, Dr Michele Barzach	Sir Christopher Hogg	16
10	17%	**Kingfisher**	2	12	**Helen Weir**, Margaret Salmon	Francis Mackay	9
10	17%	Royal & Sun Alliance	2	12	Susan Hooper, Carole St Mark	Sir Patrick Gillam	7
13	15%	Boots	2	13	Fiona Harrison, Helene Ploix	John McGrath	7
13	15%	Severn Trent	2	13	Clare Tritton QC, Marisa Cassoni	David Arculus	9
15	14%	Compass	1	7	Val Gooding	Francis Mackay	13
15	14%	HSBC Hldgs	3	21	Baroness L Dunn, Sharon Hintze, Carole Taylor	Sir John Bond	33
15	14%	**Morrison Supermarkets**	1	7	**Marie Melnyk** (Jt MD)	Sir Kenneth Morrison	13
15	14%	P&O Princess Cruises	1	7	Baroness Sarah Hogg	Lord Sterling	*
19	13%	**WPP Group**	2	15	**Beth Axelrod**, Esther Dyson	Philip Lader	53
19	13%	MAN	1	8	Alison Carnwath	Harvey McGrath	13
19	13%	MMO^2	1	8	Neelie Kroes	David Varney	*
22	11%	Centrica	1	9	Patricia Mann	Sir Michael Perry	33
22	11%	**Invensys**	1	9	**Kathleen O'Donovan**	Lord Marshall	27
22	11%	Lloyds TSB	2	18	Dr DeAnne Julius; Sheila Forbes	Maarten van den Bergh	*
22	11%	Northern Rock	1	9	Nichola Pease	Sir John Riddell	21
22	11%	Smith & Nephew	1	9	Dr Pam Kirby	Dudley Eustace	69
27	10%	Diageo	1	10	Maria Lilja	Lord Blyth	17
27	10%	Dixons	1	10	Karen Cook	Sir John Collins	27
27	10%	Hays	1	10	Lesley Knox	Robert Lawson	64
27	10%	Hilton	1	10	Lady Louise Patten	Sir Ian Robinson	21
27	10%	Next	1	10	Ann Burdus	Sir Brian Pitman	21
27	10%	Reckitt Benckiser	1	10	Dr Ana Maria Llopis	Dr Hakan Mogren	27
27	10%	Scottish Power	1	10	Mair Barnes	C. Miller-Smith	45
27	10%	United Utilities	1	10	Jane Newell	Sir Richard Evans	27
35	9%	Alliance & Leicester	1	11	Frances Cairncross	John Windeler	33
35	9%	**Alliance Unichem**	1	11	**Ornella Barra**	Jeff Harris	*
35	9%	Cable & Wireless	1	11	Dr Janet Morgan	Sir Ralph Robins	17
35	9%	Cadbury Schweppes	1	11	Baroness Wilcox	Derek Bonham	45
35	9%	Friends Provident	1	11	Hon Barbara Thomas	David Newbigging	44
35	9%	GUS	1	11	Lady Louise Patten	Sir M Victor Blank	27
35	9%	Hanson	1	11	Baroness Sheila Noakes	Christopher Collins	37
35	9%	Lattice	1	11	Baroness Diana Warwick	Sir John Parker	37
35	9%	Safeway	1	11	Sharon Hintze	David Webster	21
44	8%	3i Group	1	12	Baroness Sarah Hogg (Chairman)	Baroness Hogg	37
44	8%	**Abbey National**	1	12	**Yasmin Jetha**	Lord Burns	54
44	8%	BG	1	12	Dame Stella Rimmington	Richard Giordano	37
44	8%	Gallaher	1	12	Caroline Marland	Peter Wilson	79
44	8%	National Grid	1	12	Dr Bonnie Hill	James Ross	69

2002 Female FTSE Index: Companies with Women Directors

Rank 2002	% Female Board 2002	Company (bold = has female exec directors)	Women directors	Board size	Female Directors (Executive directors shown in bold)	Chairmen	Rank 2001
44	8%	BAe Systems	1	13	Prof Sue Birley	Sir Richard Evans	48
44	8%	Barclays	1	13	Hilary Cropper	Sir Peter Middleton	48
44	8%	BT Group	1	13	Baroness Margaret Jay	Sir Christopher Bland	5
44	8%	GKN	1	13	Baroness Sarah Hogg	Sir David Lees	37
44	8%	SAB Miller	1	13	Nancy De Lisi	Jacob Kahn	97
54	7%	Aviva	1	14	Dr Elizabeth Vallance	Pehr Gyllenhammar	48
54	7%	Prudential	1	14	Ann Burdus	Sir Roger Hurn	37
54	7%	Tesco	1	14	Veronique Morali	John Gardiner	48
54	7%	Vodafone	1	14	Penelope Hughes	Lord MacLaurin	48
58	6%	BP	1	16	Dr DeAnne Julius	Sir John Browne	98
58	6%	HBOS	1	17	Coline McConville	Lord Stevenson	55
60	5%	Royal Bank of Scotland	1	19	Eileen Mackay	Sir George Mathewson	55
60	5%	Unilever	1	19	Baroness Lynda Chalker	Niall Fizgerald	57
62	0%	Capita	0	7		Rodney Aldridge	58
62	0%	Rentokil Initial	0	7		Sir Clive Thompson	58
64	0%	Bunzl	0	8		Anthony J. Habgood	*
64	0%	Granada	0	8		Charles Allen	69
64	0%	Land Securities	0	8		Peter Gibbs Birch	72
67	0%	Allied Domecq	0	9		Gerry Robinson	69
67	0%	Ass'd British Foods	0	9		Harold W. Bailey	60
67	0%	Rexam	0	9		Jeremy Lancaster	*
67	0%	Shire Pharmaceuticals	0	9		Dr James Cavanaugh	69
67	0%	Six Continents	0	9		Sir Ian Prosser	60
67	0%	Tomkins	0	9		David Newlands	*
73	0%	Brambles Industries	0	10		Don Argus	69
73	0%	British Land	0	10		John Ritblat	64
73	0%	Canary Wharf	0	10		Paul Reichmann	64
73	0%	Corus Group	0	10		Sir Brian Moffat	*
73	0%	ICI	0	10		Lord Trotman	79
78	0%	Imperial Tobacco Group	0	11		Derek Bonham	60
78	0%	Old Mutual	0	11		Michael Levett	69
78	0%	Reed Elsevier	0	11		Morris Tabaksblat	83
78	0%	Reuters	0	11		Sir Christopher Hogg	88
78	0%	Sage	0	11		Michael Jackson	64
78	0%	Scottish & Sthn Energy	0	11		Dr E Bruce Farmer	69
78	0%	Wolseley	0	11		Richard Ireland	79
85	0%	British American Tobacco	0	12		Martin Broughton	85
85	0%	British Sky Broadcasting	0	12		Keith Rupert Murdoch	88
85	0%	Rolls-Royce	0	12		Sir Ralph Robins	88
85	0%	Xstrata	0	12		Willy Strothotte	*
89	0%	BHP Billiton	0	13		Don Argus	99
89	0%	Exel	0	13		John Devaney	*
89	0%	Johnson Matthey	0	13		H Miles	*
89	0%	Smiths	0	13		Keith Orrell-Jones	88
93	0%	Amersham	0	14		Richard D. Lapthorne	85
93	0%	Amvescap	0	14		Charles W. Brady	88
93	0%	Rio Tinto	0	14		Sir Robert Wilson	88
93	0%	Schroders	0	14		Ian Peter Sedgwick	96
93	0%	Scottish & Newcastle	0	14		Sir Brian Stewart	85
98	0%	Anglo American	0	15		Julian O Thompson	88
98	0%	Daily Mail & Gen Trust	0	15		Viscount Rothermere	95
100	0%	Standard Chartered	0	16		Sir PatrickGillam	99
		TOTAL Percentage total	84 7.2%	1161	15 executive directorships 3.0% of all executive directorships	69 NEDs 10.0% of NEDs	

* denotes not listed in 2001 Female FTSE Index

EXECUTIVE SUMMARY

FTSE 100 COMPANIES

THE GOOD NEWS: After two years of slippage, there is evidence that companies are again taking advantage of the diversity and talent that women directors can bring to their boards, by appointing new women. 61 companies now have women directors, up from 57 companies in 2001, but still not yet reaching the post-election "mini-boom" year 1999 when 64 companies had female directors. It is good to see that more companies have women executive directors, who now hold 3% of all executive board seats. In fact, women executive director numbers have increased by 50% since last year, up from 10 to 15.

THE BAD NEWS: 88 of the UK's top 100 companies still have no women executive directors. Chairmen and CEOs must take more responsibility for recruitment and development of their corporate talent pool to include women and diverse groups, to improve decision-making and bring variety and new voices into the boardroom. Indirectly, women directors act as powerful role models to younger, more junior female managers.

- 17 companies have two or more female directors, compared to 15 in 2001, 12 in 2000 and 13 in 1999. Six companies have 3 female directors (executive and/or NEDs), double the number in 2001, an indication that some of the UK's top companies are taking gender diversity on the board seriously.
- Marks and Spencer comes in 1st place for the second year running with a 27% female board - 2 female executive directors and a female NED.
- Making a big jump forward, Sainsbury comes in 2nd place with 25%, with one female executive director and two NEDs, up from 27th place last year. Also leaping ahead into 3rd place is BAA, with two female executive directors and one NED, up from 37th place in 2001. The 3rd position is shared with Astra Zeneca, also third in 2001.
- 16 of the top 20 companies (80%) by market capitalisation have women directors, but only 8 (40%) of the bottom 20 firms do so. The findings in 2002 show that the connection between high market capitalization is stronger than ever before. This endorses the business case for gender diversity.
- There are still 39 top companies with no women directors.

DIRECTORSHIPS HELD BY WOMEN

- This year there are more female-held directorships than ever before, up to 7.2% of all FTSE 100 board seats, nine more female directorships compared to last year.
- 3.0% of executive directorships are held by women, compared to 2.0% last year – an additional five females to the ten last year.
- 30 directorships are held by "brand name" women with titles (compared to 24 last year). These include seats held by 13 women with PhDs, MDs or professorships, 9 seats held baronesses, and 4 by dames. Titled women are more likely to hold multiple directorships than those without titles.
- There is still only one female CEO (Dame Marjorie Scardino of Pearson), one female Chairman (Baroness Hogg of 3i) and one female joint MD (Marie Melnyk of Morrison Supermarkets).

	2002	2001	2000	1999
Female-held seats	84 (7.2%)	75 (6.4%)	69 (5.8%)	79 (6.3%)
Female executive directorships	15 (3.0%)	10 (2.0%)	11 (2.0%)	13 (1.99%)
Female NEDs	69 (10.0%)	65 (9.6%)	57 (9.1%)	66 (10.8%)
Women holding FTSE 100 directorships	75	68	60	67
Companies with women directors	61	57	58	64
Companies with women executive directors	12	8	10	12
Companies with no women on the board	39	43	42	36

Table 1: Summary of key results

These small signs of progress serve to uncover the very unequal position of women in corporate life. More action and accountability is needed for women's access to corporate leadership positions at the very top.

1. INTRODUCTION

The issue of women's representation in decision-making roles in all walks of life has been a topic of much discussion in recent years, marked by the dramatic increase in the number of women members of Parliament elected in the 1997 general election following affirmative action in candidate selection.

The Cranfield Centre for Developing Women Business Leaders has been monitoring the representation of women on the FTSE 100 corporate boards for the last four years. In the USA, Catalyst has reported annual surveys of the Fortune 500 and the Fortune 1000 since 1996 and 1998 respectively (Daily, Certo & Dalton, 1999).

Increasingly, European company indices are starting to be monitored by researchers, and their results used by politicians, business leaders and lobby groups to drive change. In Norway, female director statistics have been used to fuel political action to increase the number of women in corporate leadership (Hoel, 2002).

In the UK, conferences such as the Women's Leadership Summit organised by the Institute of Directors in association with Cranfield School of Management and Aurora draw attention to these results and promote strategies for change based on a business model of diversity.

In this report, the 2002 results are reported and analysed.

- We identify trends and changes.
- We consider the differences between companies with women directors and those with none.
- We also examine the backgrounds of the women executive directors.
- We report from a survey of female FTSE 100 directors regarding the invitations that they receive to become board members. We also asked them for any advice which they would like to pass on to prospective women directors.
- We discuss what companies might do to increase the number of women on their top boards, and present a case study of Shell Transport & Trading, describing what they are doing in this important area of human resource management/talent management.
- We also reflect on our findings in the context of the Norwegian situation where public policy has gone further than in any other European country to increase the representation of women on corporate as well as public sector boards.
- We look at the findings in light of the current Higgs Review, and consider the business case for board member diversity in the post Enron business world.
- An appendix contains a review of the continuing barriers for women managers.

2. METHODOLOGY

Following the same methodology as that employed in the three previous years' studies, we obtained FTSE 100 data from the Hydra database service, and followed up each company through its website. We checked board information, together with press releases relating to the appointment of directors. We also used annual reports to ascertain further information such as detailed biographies, particularly ages of directors, which are less often given on board pages than in the past. Sometimes it was necessary to search the Lexis-Nexis database for press reports which give ages and background information on newly appointed directors. In previous years, we had faxed each company secretary to check our data, but were often asked by them to check the web ourselves instead. This year, all companies in the list had up-to-date web sites and most included separate pages about their directors, as well as the often out-of-date (as of October 2002) information given in the most recent annual reports. We therefore decided that the faxed check was no longer essential, and believe that the quality of the data is not affected by the change in procedure. For comparable purposes, the database is taken at the end of September each year.

Data was input into Excel and SPSS spreadsheets for analysis. Correlation analyses between variables were undertaken, and t-tests were used to compare groups such as males and females to identify whether differences were significant.

3. TOP COMPANIES IN THE FEMALE FTSE 2002

Maintaining its leading position in 2001, Marks and Spencer again tops the Female FTSE 100 Index, with three of its eleven board members being female (27%), including two executive directors, Alison Reed and Laurel Powers-Freeling, as well as non-executive director (NED) Dame Stella Rimmington. Marks and Spencer is also well positioned for topping the list in the future, with six women directors in their next tier board, making 33% female representation in the pipeline feeding the board.

However, it is the companies in second and joint third place in the index who have made the biggest leaps forward. With its 25% female board, J. Sainsbury has moved to second position this year, up from 27th place in 2001. Sainsbury now has three women in the boardroom, including a new assistant Managing Director, Sara Weller, plus the NEDs June de Moller and Bridget Mackaskill.

Another jump upwards has been made by BAA in third place this year, up from 37th place in 2001. BAA has three women, including two executive directors, the newly appointed Janice Kong who runs Heathrow, and Margaret Ewing, the Finance Director. Sharing third place, Astra Zeneca has three women NEDs, making 23% of their board, the same as in 2001. Following closely in 5th place is Legal & General, who have three women directors including an Executive Director of Partnerships, Kate Avery making it a 21% female board. Bradford & Bingley come in 6th position with two women NEDs and a 20% female board. HSBC with three women Non-Executive Directors is in 15th place since it has a larger board (14% female). Eleven companies have two women directors.

Table 2 profiles the top ten companies in the 2002 Female FTSE Index. The chairmen of these top ten companies are on average two years younger than across the whole 100 companies, and their tenure is four years less than the top 100 chairmen average. However, compared to the average CEO, these top ten CEOs are three years older, but have one year less tenure on average than across the top 100 set.

Table 2: Profiles of the Top 10 Companies in the Female FTSE Index 2002

Rank 2002 Female FTSE	Company	% Female Board	Market Cap Rank Sep 02	Sector	Board No.	Av'ge board age	Av'ge Board Tenure	Chair-man's Age	Chair-man's Tenure on Board	CEO Age	CEO Tenure on Board
1.	Marks & Spencer	27%	24	Retail	11	53	3	51	3	42	2
2.	Sainsbury	25%	34	Retail	12	53	5	65	5	60	3
3.	Astra Zeneca	23%	7	Pharmaceuticals	13	58	5	61	4	58	7
4.	BAA	23%	36	Transport	13	52	4	55	8	58	11
5.	Legal & General Group	21%	40	Life Assurance	14	53	4	55	7	58	12
6.	Bradford & Bingley	20%	100	Banks	10	56	7	66	13	52	7
7.	BOC Group	18%	47	Chemicals	11	51	3	54	2	58	9
8.	Pearson :	18%	44	Media & Photography	11	53	6	57	6	55 (female)	6 (female)
9.	Shell Transport & Trading Co	18%	6	Oil & Gas	11	62	6	57	6	58	3
10.	GlaxoSmithKline	17%	2	Pharmaceuticals	12	62	8	65	10	54	11
	Average for these 10 companies	21%			12	55	5	59	6	55	7
	Average across all FTSE 100 Companies	7.2%		Total number of board seats = 1161	12	55	6	61	10	52	8

4. THE FEMALE FTSE COMPANY RESULTS

4.1 FTSE 100 Companies and Women Directors

It is very encouraging to see in Table 3 that the number of companies with women on the board has increased this year, following two years of decline.

Table 3: FTSE 100 companies and their women directors

	2002	2001	2000	1999
Companies with women directors	61	57	58	64
Companies with no women directors	39	43	42	36
Companies with women executive directors	12	8	10	12
Companies with no women executive directors	88	92	90	88
Companies with three women on the board	6	3	1	1
Companies with two women or more on the board	17	15	12	13

From Table 4, we can also see progress in the number of companies with an increased percentage of female directors. The companies with one or two women directors are appointing more women to their boards, demonstrating that these women were by no means token appointments. This progress is important, as once the gender balance goes to 15% and over, the women are less likely to be treated as women per se, but are seen as individuals in their own right (Kanter, 1977).

Table 4: Percentage of FTSE 100 boards which are female

	2002	2001	2000	1999
20-27% female boards	6%	5%	1%	2%
10-19% female boards	28%	27%	22%	27%
1-9% female boards	27%	25%	35%	35%
0% female board	39%	43%	42%	36%

4.2 The Twelve Companies with Female Executive Directors

Turning now to the companies with female executive directors, Table 5 shows the twelve companies which now have career paths for their women employees which go all the way to the top, an increase from only eight companies in 2001. Young women tell us that it is really important that they can see women executive directors in their companies. The presence of women executive directors symbolises that “women can achieve their full potential in this company”, and hence ambitious and capable young women may choose to offer their talent to such a company rather than go elsewhere. Whilst the presence of women non-executive directors is important in giving women a voice on the board, NEDs do not have the same impact on women employees, as the NEDs often come in only four to six times a year. In contrast, the women executive directors are heading important functions and are highly visible role models on a daily basis to those below them.

Table 5: Companies with female executive directors

Company	*Rank in Female FTSE*	*Sector*	*Board Size*	*No. Exec Directors*	*Female Executive Directors*	*Job Title*
Marks & Spencer	1	Retailers	11	6	Alison Reed Laurel Powers-Freeling	Finance Director Director of Financial Services
J Sainsbury	2	Retailers	12	6	Sara Weller	Assistant Managing Director
BAA	3	Transport	13	7	Margaret Ewing Janice Kong	Group Finance Director Chairman Heathrow
Legal & General	5	Life Assurance	14	6	Kate Avery	Group Director Partnerships
Bradford & Bingley	6	Banks	10	6	Rosemary Thorne	Group Finance Director
Pearson	7	Media & Photog	11	5	Marjorie Scardino Rona Fairhead	CEO Finance Director
Kingfisher	10	Retailers	12	6	Helen Weir	Group Finance Director
Morrisons	15	Retailers	7	7	Marie Melnyk	Joint Managing Director
WPP	19	Media & Photog	15	4	Beth Axelrod	Chief Talent Officer
Invensys	23	Electronics & Electrical	9	2	Kathleen O'Donovan	Chief Finance Officer
Alliance UniChem	35	Health	11	6	Ornella Barra	Director Southern Europe
Abbey National	44	Banks	12	6	Yasmin Yetha	IT & Infrastructure Director

It is interesting to see that seven of these fifteen women have finance directorships, and we will examine their backgrounds in more detail in a later section.

We should also comment on the companies with "women-directors-in-waiting". These are female corporate directors who do not sit on the main board, and those on second tier boards. Several companies are moving forward on this front – although not all companies provide information about their second tier directors and top management teams on their company websites. Marks and Spencer have six women directors out of 18 at the second tier level, making 33% of directors at that level. Similarly, Invensys has five women out of 15 on the leadership team, making 33% of that group of potential future executive directors. In addition, following the progress of women directors at Sainsbury and Marks and Spencer in the retail sector, Safeways has a female Director of Culture, and a female Marketing Director amongst the eleven members of their top team, making 18% female representation at that level. Putting information about the gender composition, not just of the main board, but also of the leadership team onto the website enables women employees and potential high flying women recruits to follow progress on gender diversity at senior levels. This openness may lead to the recruitment and retention of those with the right potential for later top positions, people in whom the organisation may have invested many years of development, but who may leave if they do not see a career path extending to the top.

4.3 Link between Companies having Women Directors with High Market Capitalisation and High Number of Employees

After identifying the major trends as above, we compared the top and bottom companies in the FTSE 100 by market capitalisation. There was a strong and significant relationship ($p = 0.007$) between companies having women directors and having high market capitalisation. This follows the trend commented on last year. Sixteen of the top twenty companies (80%) by market capitalisation had women directors, compared to only eight (40%) of the bottom 20 companies. A similar correlation between these variables has been found in the United States in the Fortune 500 (Catalyst, 1999). Whilst some would argue that this shows that having women directors leads to better market performance, we must also consider that possibly companies with high market capitalisation are more open to the appointment of women directors. In other words, they may feel that they are better placed to take the risk, if that is how appointing women onto boards is perceived. (Longer-term research with a number of financial and other performance indicators is needed before the impact of women directors on financial performance can be clarified.) We also found a significant correlation ($p = 0.017$) between the presence of women directors and firms with larger numbers of employees.

4.4 The Impact of Board Size

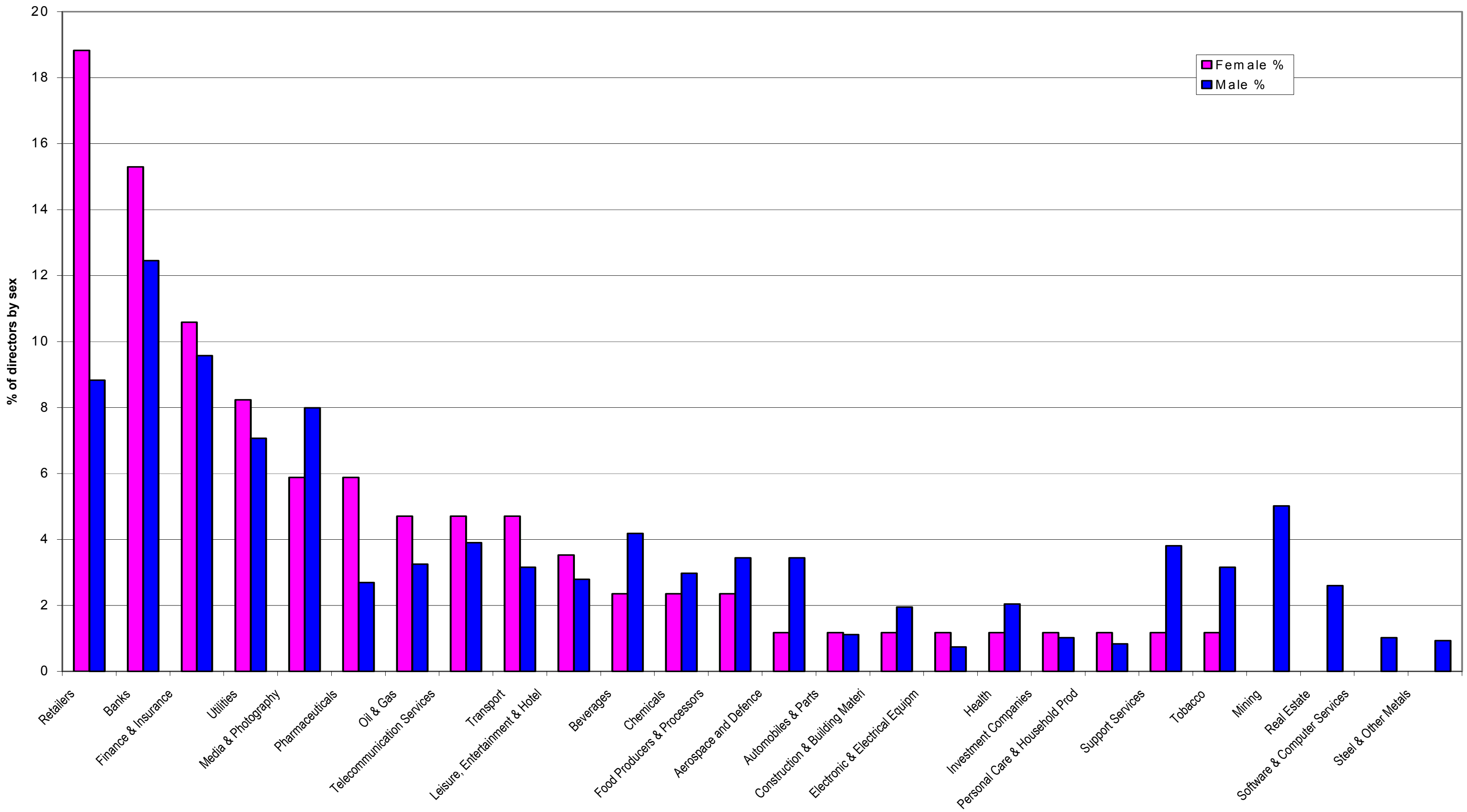
There was a significant correlation ($p = 0.014$) between the size of the board and the total number of women directors in the company, indicating that larger boards are somewhat more likely to have female directors. This supports Zelechowski & Bilimoria's (2001) findings from the Fortune 1000 companies in the USA. They commented that "boards with women directors were significantly larger ($p < 0.05$) than boards with no women directors", and they felt that women were being appointed as 'extra' directors. Even if that is the case, the women directors are gaining valuable experience and they are likely to lose that 'extra' director label as they grow in the new positions, just as other 'outsiders' such as a very young male director might do. There was also a strong relationship ($p = 0.003$) between board size and the number of female non-executive directors, with larger boards more likely to have women NEDs.

However, when we examine the top ten companies in the Female FTSE Index, we can see that their boards are only very slightly larger than the average of just under twelve board members, not supporting the Zelechowski & Bilimoria proposition that the women directors were in some way 'extra' directors.

4.5 The Impact of Sector

Figure 1 indicates the sectors where the women directors are to be found, as a percentage of all female directors, with comparable statistics for male directors. By far the best sector for women's progress to board level is the retail sector, closely followed by the banks. The privatised utility companies, despite being very male dominated in their management, have appointed female non-executive directors. The areas where there are no women directors include mining, real estate, software and computer services, and steel. Gallaher, the first tobacco company to have a woman director (Caroline Marland) reported that she had left after just a few months, for personal reasons, so since the index was completed, tobacco is another sector with no women directors.

Figure 1: Women and men directors in each sector, as a percentage of all women and men directors respectively.



5. THE FEMALE DIRECTORS

We report that the slow decline in the representation of women on top corporate boards has been reversed this year. There are now more directorships held by women directors than in 1999 when we started collecting these data. The number of women directors is also higher, although the number of women holding two FTSE 100 directorships has not changed since 2000. The number of female executive directorships has increased by 50% on last year, making 15 women in total, up from 2.0% to 3% in 2002. The overall percentage of women-held seats has reached its highest level at 7.2% of all available seats. See Table 6 and Figure 2.

(Note: One female executive director's retirement (Kathleen O'Donovan of Invensys) has been announced in advance. Where female directorships have a very short tenure, they may be missed in the annual census, depending upon the dates of appointment and resignation.)

Table 6: The Female Directorships

	2002	2001	2000	1999
Female-held Directorships	84	75	69	79
(% of all directorships)	(7.2%)	(6.4%)	(5.8%)	(6.3%)
Female Executive Directorships	15	10	11	13
(% of all executive directorships)	(3.0%)	(2.0%)	(2.0%)	(1.99%)
Female Non-Executive Directorships	69	65	57	66
(% of all non-executive directorships)	(10.0%)	(9.6%)	(9.1%)	(10.8%)
Number of women holding FTSE 100 directorships	75	68	60	67
Women holding two FTSE 100 directorships	7	7	7	10
Women holding three FTSE 100 directorships	1	0	1	4

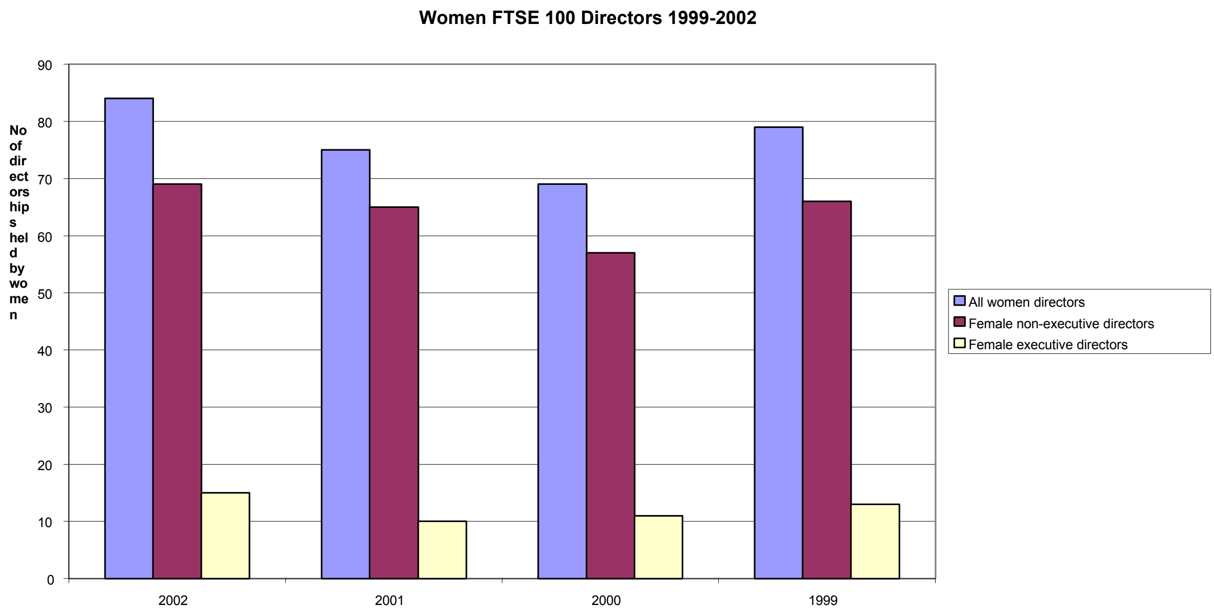


Figure 2: Women FTSE 100 Directors 1999 – 2002

5.1 Appointment Years

We examined the years when the women and men directors in the FTSE 100 Index were appointed. Figures 3 and 4 show that 48% of the women directors have been appointed in the last three years (with 2002 only up to end of Sept) compared with 35% in 1997-1999, and only 17% appointed before 1997. In contrast, only 37% of the men have been appointed in the last three years, but 32% of the men have been on their boards since before 1997, and 10% of those were appointed in 1990 or even earlier.

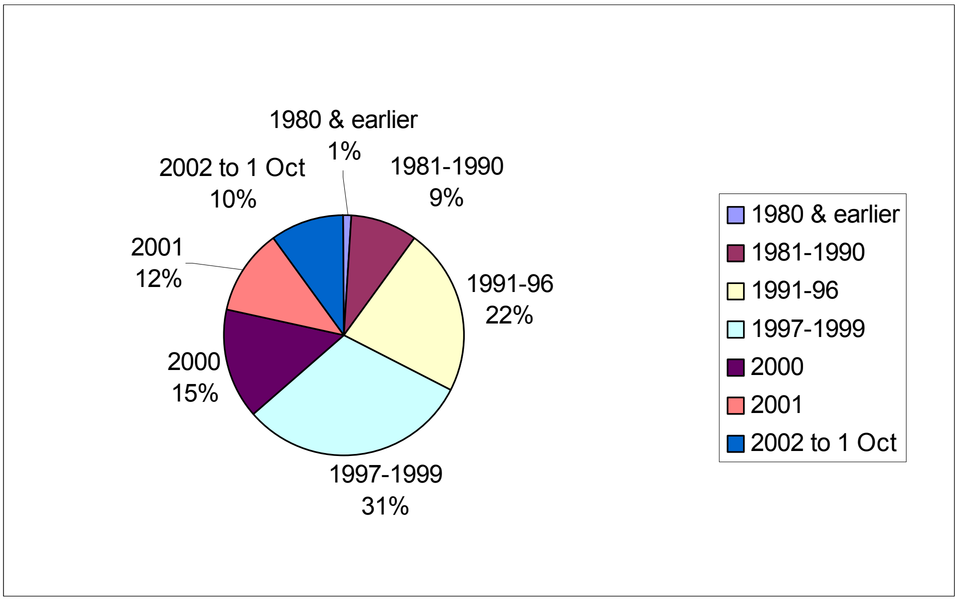


Figure 3: Male Directors' Appointment Years

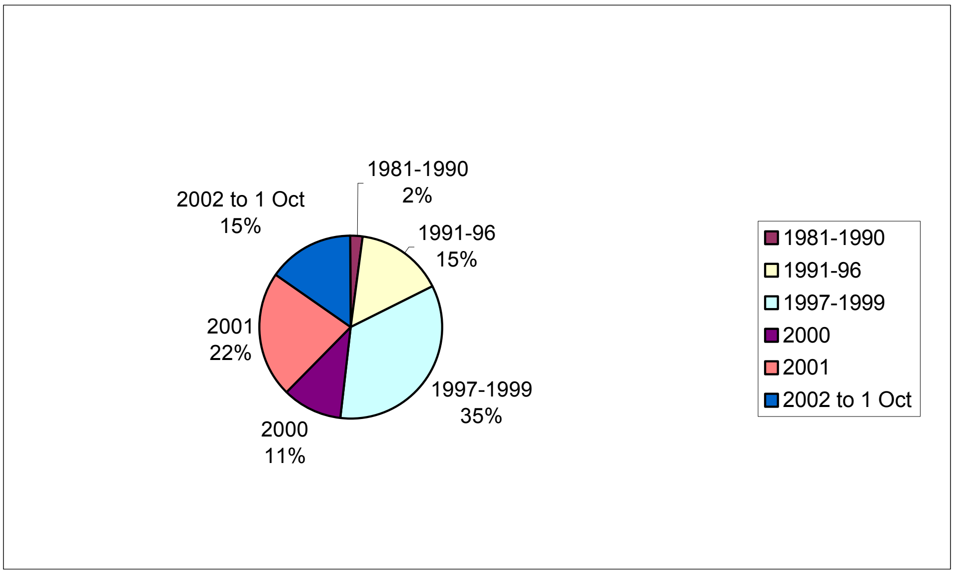


Figure 4: Female Directors' Appointment Years

5.2 Age

As Table 7 shows, there were strongly significant gender differences in the average ages of men and women directors. Female executive directors were on average seven years younger than their male counterparts. This indicates an increasing willingness of chairmen and CEOs to promote young women. The same trend is evident in the case of non-executive directors, with female NEDs being on average five years younger than male NEDs.

Although this fact may be encouraging for the women now in their thirties and forties, the trend may worry women in their fifties and early sixties, as it would appear that they are now less likely to be made directors of FTSE 100 companies. Their generation may be overlooked in favour of their younger female colleagues. Yet women in their fifties may be a more valuable resource as directors, especially if their family responsibilities have lessened, so that they can dedicate more energy and time to their work. Women may have not "played the career game" as instrumentally as their male peers in early and mid-career, in preparation for appointments at the very top of UK business.

Table 7: Age differences between different types of directors by sex

Type of director	N	Average Age	Standard deviation	Sig (T-test)
Male Executive Directors	465	51.72	7.22	
Female Executive Directors	14	44.71	4.89	0.000
Male NEDs	578	59.59	6.60	
Female NEDs	71	55.13	7.15	0.000

5.3 Ethnic Diversity of Women Directors

There are only three women in the list from ethnic minority backgrounds. Yasmin Jetha is Group Information Technology and Infrastructure director of Abbey National, and has a reputation as "an iron fist in a velvet glove". She has an East African Indian background, and went to university in the UK. There are two non-executive directors. Baroness Dunn is Deputy Chairman of HSBC, from Hong Kong, with an outstanding international reputation in the political as well as business world over many years. Dr Bonnie Hill is NED of National Grid, and is an Afro-American with an impressive background in the power industry and involvement as a director of a number of US organisations. She is a celebrated role model for Afro-American women, and is very involved in education for minority women. These three women make up 3.6% of the women directors. To put this into a wider context, when we examined the 2001 Index for ethnic minority directors (male and female), we found that there were 24 such directors holding 26 seats, making 2.2% of all directorships (Singh, 2002). There were only two women in that list in 2001. The fact that the total ethnic minority population in the UK is around 6.5% indicates that the males from ethnic minority backgrounds are doing rather better in proportion to their percentage of the population than women who make up almost half the working population. Unpacking these statistics suggests that gender is a bigger barrier than ethnicity.

5.4 Women Directors with International Backgrounds

In 2002, 32% of the female directorships were held by women with overseas backgrounds, up from just over a quarter last year. This reflects the comments made by chairmen of FTSE 100 companies earlier this year (Russell Reynolds & Associates, 2002) that international experience and backgrounds were very important, whilst gender diversity was "only important in the perception of the public" as one chairmen put it. The increasingly international directorships are not restricted to the women directors – several commentators have explored why so many international male CEOs and directors are succeeding in the top

UK companies. Management Today reported that in 2001, 23% of all the FTSE directors were foreign, up from 16% in 1998 (*The Business*, 2002).

Executive recruiter Simon Russell comments that about 65% of their assignments now have an international component, and he suggests that 'non-Brits' often have a more open way of doing business. "Non-Brits also don't rely on the nods, winks and nuances that have become entrenched in our business language", making it easier for openness in discussion and decision-making. This might make it easier for women in that the traditional old boys club culture may be shifting, as international directors come in.

The need for international experience for would-be directors was also highlighted by Daily, Certo & Dalton (2000) in the US, but this can be difficult for women to achieve, given the reluctance of some organisations to send women, especially those with family responsibilities, on overseas assignments.

Table 8 indicates the countries of origin (there may be more but we have opted for caution in preparing this table) of the women directors with international backgrounds. The majority come from North America, including two female executive directors. We asked an experienced non-executive director who had spent a lot of time in the USA to comment on this, and her view was that American women are raised with more of a "can-do" attitude than women in the UK, and hence they do not perceive any barriers to their success.

Table 8: Women directors 2002 and country of origin

Country	No of women directors	Company sectors
USA & Canada (1)	2 executive directors 11 women NEDs, including two women who have 2 FTSE 100 directorships	Banks (4) Oil & gas (2) Pharmaceuticals (2) Media (2) Retail (2) Chemicals, Electricity & Beverages
France	3 women NEDs	Retail (2) & pharmaceuticals
Sweden	2 women NEDs	Pharmaceuticals & beverages
Spain	1 woman NED	Personal care
Netherlands	1 woman NED	Telecoms
Hong Kong	1 woman Deputy Chairman NED	Banks
Australia	1 woman NED	Banks

5.5 The Increasing Impact of Titles

There continues to be a tendency to appoint directors with titles, the average board being constituted with 23% of its directors holding a title. The percentage of titled directors in any FTSE 100 company was also correlated with the chairman's age ($p = 0.030$), some examples being ICI with a 40% titled board and chairman's age 69; Northern Rock with a 50% titled board and chairman's age 68, and Rolls-Royce with a 42% titled board and chairman's age 69, where the average age of FTSE 100 chairmen was 61.

There was a significant difference ($p = 0.014$) in the proportion of directorships held by men and women with titles, where only 21% of male directors had titles compared with 36% of females. As we commented last year, it seems that women may have to prove themselves as worthy of appointment by being "branded" by a title, rather more than do their male peers. However, this gap is widening, as in 2001, 32% of female-held directorships were held by titled women compared to 27% of those held by men.

It should be noted here that Texas born Marjorie Scardino, the only woman CEO in the FTSE 100 Index, became a Dame of the British Empire in 2002.

In Singh & Vinnicombe (2002), we comment upon the persistence of this elite group and suggest some theoretical explanations, particularly agency theory. This perspective holds that appointing bodies would seek to minimise risk in the contract to recruit new directors by looking at those already in the frame (ie existing women directors) and those already labelled visibly as having some form of capital to bring with them. This capital might be proven business acumen (already a CEO, already has FTSE 100 directorship experience; already holding honours such as Dame); educational (in the case of a PhD and professorship), political (in the case of previous political jobs) and social (as wives of powerful men with wider connections).

5.6 The Significant Influence of the Chairman's Tenure

Interestingly, there was a significant relationship ($p = 0.014$) between the tenure of the chairman and the rank of the company in the Female FTSE Index, as well as with the presence of women directors ($p = 0.030$). Chairman's tenure was also strongly correlated with the actual number of women directors ($p = 0.008$). These results show that the longer the tenure of the chairman, the less likely the board will include women directors.

Examining the data further, we split the chairmen into two groups, as there appeared to be a split at around seven years of tenure. Chairmen with tenure under seven years were significantly more likely ($p = 0.007$) to be in companies ranked higher in the Female FTSE.

These findings indicate that it is the chairmen's shorter tenure rather than their age that is associated with the appointment of female directors. We note that 87.5% of the bottom 20 companies in the Female FTSE 100 Index have had chairmen with over seven years tenure as chairmen of those companies.

5.7 Women on Board Committees

Table 9: Women Directors chairing Board Committees

Woman Director	Chair of Committee	Company
Baroness Hogg	Nomination	3i
Hon Barbara Thomas	Nomination Remuneration	Friends Provident
Lady Patten	Remuneration	GUS
Lesley Knox	Remuneration	Hays
Alison Carnwath	Audit	MAN Group
Dame Stella Rimmington	Remuneration	Marks and Spencer
Baroness Hogg	Audit	P&O Princess
Penny Hughes	Remuneration	Vodaphone
Baroness Wilcox	*Corporate Social Responsibility*	*Cadbury Schweppes*
Margaret Salmon	*Social Responsibility*	*Kingfisher*

Most boards had three main committees (Audit, Remuneration and Nomination) which are seen as the most influential, although many boards had additional committees. Nearly half (44%) of the women directors sat on the Remuneration Committee of their company. A third of the women directors were on the Audit Committee, and a third sat on the Nominations Committee. Seven of these women chaired the committees, indicating very powerful roles, and two of them (Baroness Hoo and the Hon Barbara Thomas) chaired two committees. Of FTSE 100 remuneration committees, 5% were chaired by women. In addition, two women chaired Corpoprate Social Responsibility committees, a new area where women are often seen as having special insight because of their social roles in society, and possibly their sense of moral development which some psychologists believe to differ from that of males (Belenky et al, 1986), particularly of interest following the Enron scandal. See Table 9.

5.8 Women Executive Directors

It is encouraging that from the ten women executive directors in 2001, a 50% increase has been achieved in 2002, although one of these women has announced her retirement from her executive position, following a difficult period for the company.

Many of these women featured in the top executive pay list for women in 2002, and their salaries are reported in Table 10 where available. The Chartered Institute of Management (2002) reported in October that women directors earned £94,115 on average compared to £119,126 for men, but this represented a pay rise of 9.3% for women directors and only 5.6% for men directors. The gender gap fell from 24% in 2001 to 21% in 2002. Encouragingly, senior women who report straight to directors actually earned marginally more than men, £80,884 compared to £80,803 for men. The same report indicated that women now make up 30% of all managers, and of all the managers in the CIM survey, one in seven directors are now women, up from one in ten last year. These are additional signs that there is movement from the dismally low representation of women at senior levels, and that the pay gap may be narrowing.

Table 10: The Fifteen Women Executive Directors 2002

Woman Executive Directors	Age	Job Title	Qual's	Company	% female board	Joined company	Appointed director	Background (from biogs in annual reports and websites, & from national press)
1. Kate Avery	42	Group Director Partnerships	MBA	Legal & General	21%	1996	2001	Was MD of Barclays Stockbrokers & Barclays Bank Trust. Joined L&G a Sales & Marketing Director before promotion to main board. Married, no children, works 12 hour days
2. Beth Axelrod	39	Director/ Chief Talent Officer		WPP	13%	2002	2002	Promoted to director after a few months. Co-author of "War for Talent", prev co-leader of McKinsey's Global Organisation & Leadership Practice. Before that, worked in Mergers & Acquisitions for First Boston in New York and London.
3. Ornella Barra	?	Director Southern Europe	Pharmacy quals	Alliance Unichem	9%	1986	1997	An Italian, after qualifying, she bought her own pharmacy, then founded a distribution company which got taken over. Appointed President of that company, Alleanza Salute Italia in 1994
4. Margaret Ewing	46	Group Finance Director	BA Business Studies, FICA	BAA	23%	2002	2002	Joined as GrFD, was previously FD at Trinity Mirror. Prior to that, she was partner for 14 yrs at Deloitte & Touche. She helped shape the merger of Trinity and Mirror Group, & restructured the finance function. Involved as advisor in many sectors including telecoms, leisure, transport & business services. She is also expert on privatisation and deregulation.

Woman Executive Directors	Age	Job Title	Qual's	Company	% female board	Joined company	Appointed director	Background (from biogs in annual reports and websites, & from national press)
5. Rona Fairhead	40	Finance Director	Law degree from Camb'ge & Harvard MBA	Pearson	18%	2000	2002	Joined Pearson to become Deputy FD, becoming FD in June 2002. Previously was at IC where she was Exec VP Strategy & Group Financial Control, and member of Executive Board. Earlier was in British Aerospace & Shorts. Married with three children, she also has a pilot's licence.
6. Yasmin Jetha	49	IT & Infra-structure Director	BSc in Maths; MSc in Mgt Science from Imperial, FCMA	Abbey National PLC	8%	1985	2001	Held several director positions (Corporate Systems; Retail Lending; Retail Service & Operations) within Abbey National before appointment to main board. 2002 salary cited as £360,120
7. Janis Kong OBE	51	Chairman Heathrow	BSc Psychology, Harvard Advanced Mgt Program	BAA	23%	1973	2002	Chairman of Heathrow, BAA's largest profit earner. Previous MD of Gatwick Airport, following time as Operations Director. She led BAA Gatwick's groundbreaking partnership approach on community & stakeholder consultation.
8. Marie Margaret Melnyk	44	Deputy Managing Director		Morrison (Wm) Supermarkets PLC	14%	1975	1997	Also in top earners list (£302,000), 26 years unbroken service in same company, a historic family supermarket chain with no NEDs.
9. Kathleen O'Donovan	45	Chief Financial Officer	BSc ACA	Invensys PLC	11%	1991	1999	Joined Invensys in 1991 as Finance Director. Former partner at Ernst & Young. NED of EMI plc, and a Director of the Bank of England. Also in top earners list (£424,000). Reputed to put in 13-hour days. **Impending retirement announced Sept 2002**
10. Laurel Powers-Freeling	45	Director, Financial Services	Economis & Physics degrees from Columbia & MIT	Marks and Spencer PLC	27%	2001	2001	American, worked at McKinsey and Prudential, then Lloyds TSB where she headed Wealth Management. Joined M&S in 2001, hired to develop financial services at M&S and reinvigorate the loyalty card scheme. 2002 salary cited as £214,000 She has two children.
11. Alison Reed	45	Finance Director	CA	Marks and Spencer PLC	27%	1987	2001	Accountant at Touche Ross, joined M&S, was spotted & became assistant to chairman/ CEO, gaining visibility to board. Was FD of UK Retail before promotion to main board. Reputation for turning round 2 key depts. She is NED at HSBC Bank plc since 1996. 2002 salary cited as £484,000.

Woman Executive Directors	Age	Job Title	Qual's	Company	% female board	Joined company	Appointed director	Background (from biogs in annual reports and websites, & from national press)
12. Dame Marjorie Scardino	55	Chief Executive		Pearson PLC	18%	1997	1997	American. Trained as lawyer; was CEO of The Economist, before Pearson, later becoming CEO. Reportedly gave the company new focus, took it into the internet, expanded in the US, & saw the share price rise. Married with two children. 2002 salary cited as £525,000.
13. Rosemary Thorne	50	Group Finance Director		Bradford & Bingley	20%	1999	2000	Formerly FD at Sainsbury, Financial Controller of Grad Metropolitan (now Diageo), and FD of Harrods. She is NED of Consignia and a member of the Financial Reporting Council.
14. Helen Weir	39	Group Finance Director	1st class Maths degree Oxford, MBA	Kingfisher	17%	1995	2000	Also in top earners list (£413,000 in 2002). Previously finance chief for B&Q. Worked for McKinsey. Married, with three young children including new baby.
15. Sara Weller	40	Assistant MD of strategic planning & marketing		Sainsbury	25%	2000	2002	Only 2nd ever female executive director at Sainsbury, joining from Abbey National where she was retail director for 3 yrs. Previously at Mars Confectionery for 13 years. Reported salary £106,000 in 2002

Note to Table: Salary information published in *The Guardian*, 5 October 2002.

We should note that Dame Marjorie Scardino appeared as top of the Fortune World Power list of the top 50 women for the second year running (Fortune, 2002). Incidentally FTSE 100 NED Val Gooding, CEO of BUPA was also included at No 30 in that list, as were two women directors of Shell (though not main board members).

5.9 Women Finance Directors

Of the fifteen female executive directors, seven are Finance Directors, with an average age of 44, compared to the average age of all male executive directors of 52. This is not just the case in the UK, but articles have appeared in the US accounting press commenting on the cracking of the glass ceiling by women finance directors in the USA (Heard, 2001; Holliday, 2000). They say that the number of women finance directors has doubled in the last five years. The explanations given are that women finance directors have formal qualifications and commitment to their career, as well as opportunities to work with their professional bodies to gain leadership experience, to network and establish their professional credibility. Mentoring is suggested as necessary for guiding women in finance towards these goals. However, financial executives are advised to make a deliberate effort to understand business development issues and revenue growth, and not to focus too narrowly on their present job. Clearly in the case of the FTSE 100 finance directors, the women have achieved the most senior positions in their profession. Will any of them progress to becoming CEOs in due course?

6. WOMEN DIRECTORS AND INVITATIONS TO JOIN THE BOARD

This year, we decided to undertake an additional survey of the women directors themselves, and half of them responded. We had met a chief executive (of a FTSE 100 second-tier board) who commented that since her appointment, she had started to receive numerous approaches to join boards as a non-executive director. We therefore asked all the female FTSE 100 directors about how many NED posts they currently held, and how many invitations that they had received to join boards (any corporate boards, not just FTSE 100 boards). There was a large variance in the responses, some very prominent executive directors receiving many invitations (too many to count, in some instances), whilst others who were newly appointed had received only one or two. We realised from letters accompanying the responses that these women received both formal and informal invitations, and some had received tentative and exploratory approaches to see whether they were willing to be considered. (We used the figures put in the form by the women directors, but a tighter definition of 'invitation' and perhaps a split into 'formal' and 'informal' in the questionnaire would have been useful, in hindsight.) Nonetheless, the responses are interesting, as they do provide confirmation that invitations are going out to this select band of "proven" women in considerable numbers, with an average of over three invitations each in 2001.

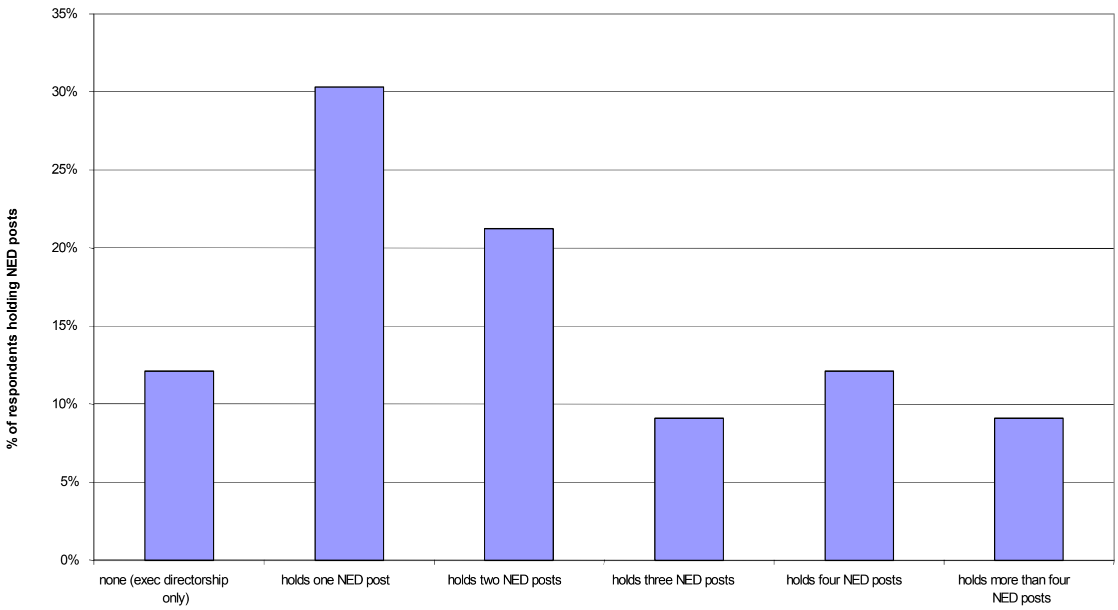


Figure 5: The number of non-executive directorships held by women director respondents to survey (n = 33).

Figure 5 shows that most of the women directors held only one NED post, but there were some with more than four. Of the thirty-three women directors who responded (half of all the women directors), the average number of non-executive positions held was 2.1. Seven women respondents (21%) had four or more such directorships, in other words, a portfolio of non-executive board positions. One woman had seven such posts in her portfolio. Not all of these directorships were in the FTSE 100, but many were of FTSE 350 companies. Four of the executive directors had no non-
executive posts at all.

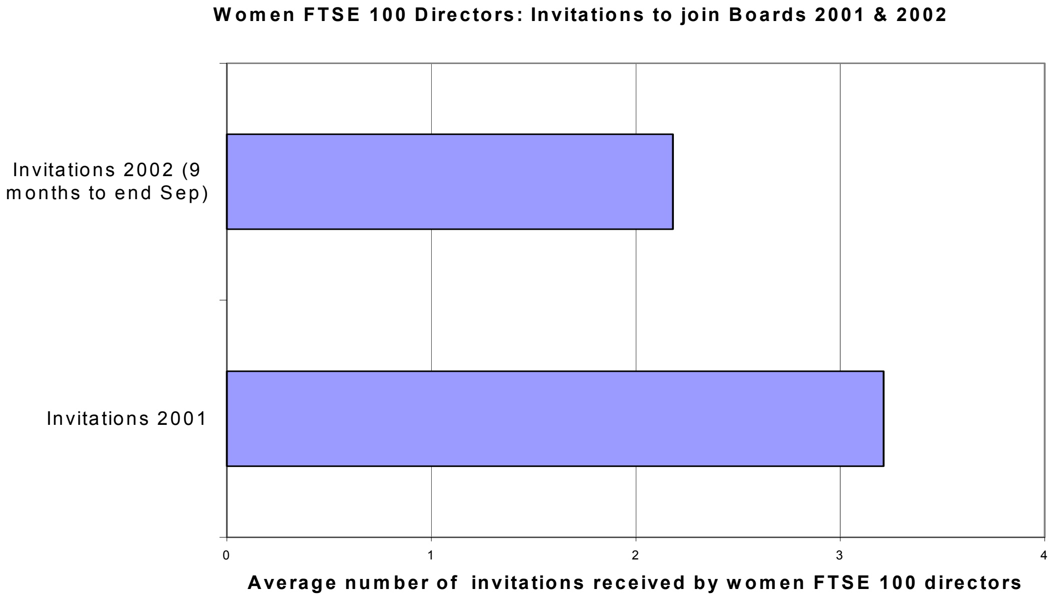


Figure 6: Women FTSE 100 Directors' invitations to join boards 2001 & 2002

6.1 Sources of Invitations to Join Boards

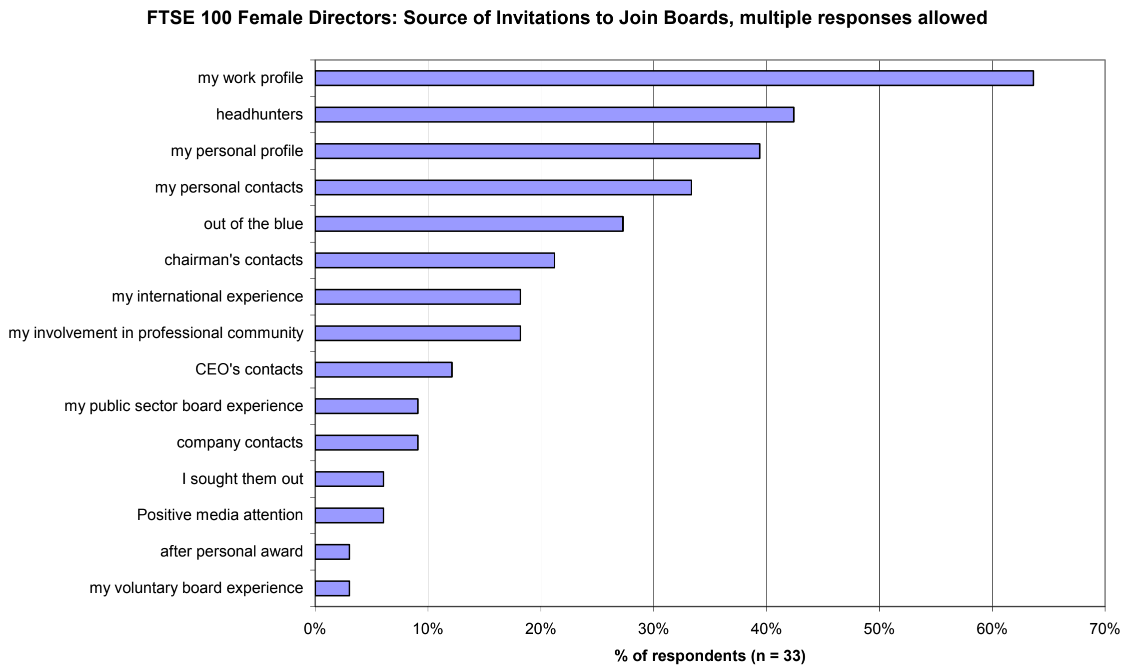
The next section shows the reasons given by the women directors for the invitations. To put this into a more general context, the Sunday Times (2002) reported that four in five non-executive directors are appointed without a formal selection process, in a poll of 250 non-executive directors and chairmen for a headhunting firm making a submission to the Higgs Review. Referral was very important, as almost a third said that they were appointed through an executive director whom they knew, or by referral – "someone who was given their name by somebody else."

Figure 7 indicates that 64% of the women felt it was their own work profile that led to the invitation. The second most frequent response (42%) was that headhunters had approached the women. International experience was given by 18% of the women, reflecting the high proportion of women directors in this list who were either overseas nationals by origin, or who had extensive experience in working overseas, particularly the USA.

Only 6% stated that they themselves had sought out directorships. That may show a link to the traditional female manager pattern of working hard and waiting to be promoted, waiting to be invited to join the top team, rather than pushing themselves forward. However, it may simply reflect the fact that these busy women did not need to make approaches if headhunters were coming to them. Supporting the latter argument, as is shown below, over half of them said that they were too busy to take on further directorships and do them well.

In obtaining invitations the women's personal contacts were more fruitful than the chairman's contacts, and that the CEO and company contacts were less important.

Figure 7: Sources of invitations, according to current women directors

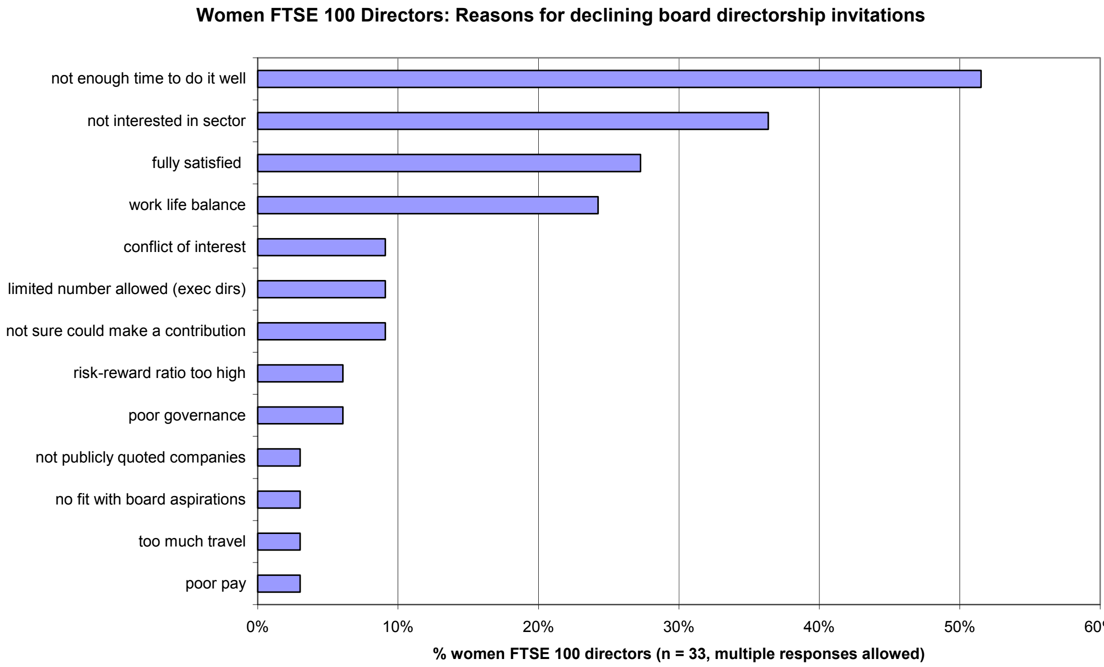


6.2 Women Directors' Reasons for Declining Invitations

Only seven of the women FTSE 100 directors have two FTSE 100 directorships, and one has three. Why women might turn down invitations to join boards is shown in Figure 8.

- The biggest single reason: over half of those responding say that they rejected the invitations due to not having enough time to take them on and do them well.
- A quarter of them said it was due to work life balance
- Low pay, seen as important by males as an indicator of career success, but less so by women (Sturges, 1999), was not a factor for almost all these women directors when turning down invitations. Low pay is being examined by the Higgs Review (2002) as a possible factor in the reluctance of suitably qualified potential non-executive directors in taking up board seats. The Sunday Times (2002) reported that 26% of the NEDs and chairmen in the headhunter survey (reported above) said their pay was "frankly insufficient".

Figure 8: Reasons for declining invitations to join corporate boards (multiple responses allowed)



7. WHAT CAN WOMEN DO?

There are clearly a number of career barriers for women managers which have yet to be resolved. The Appendix to this Report gives an overview of persistent career barriers for women, including a section on the additional barriers which women from ethnic minorities may face.

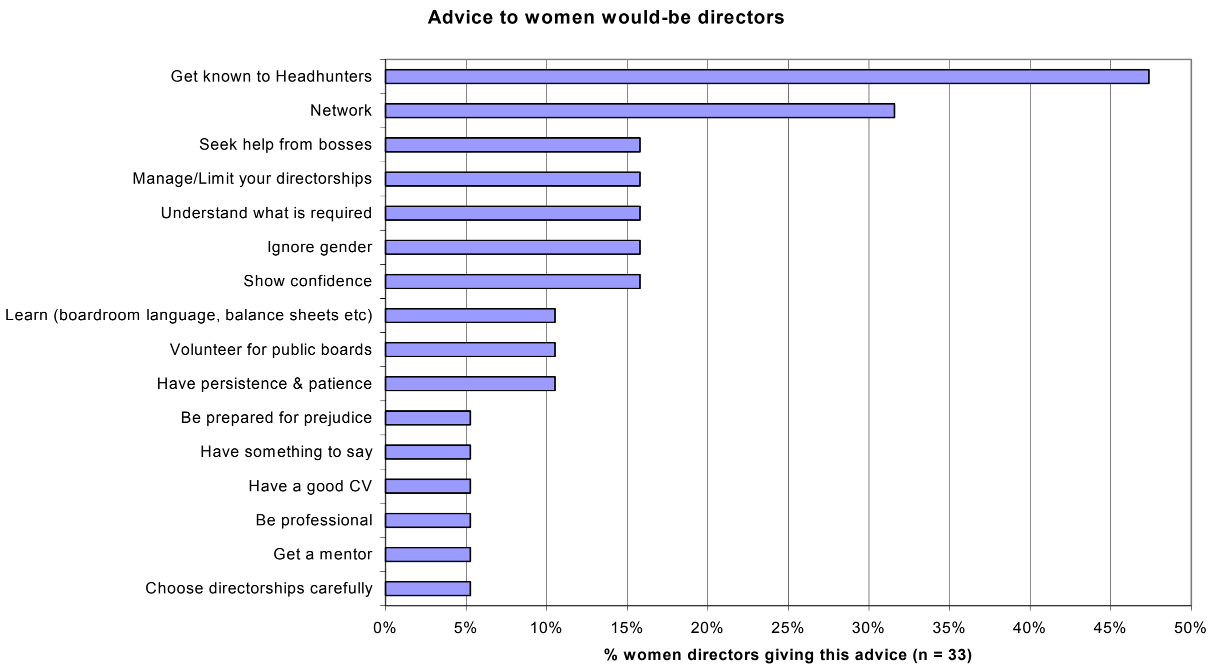


Figure 9: Advice for women seeking directorships, from current FTSE 100 female directors

7.1 Advice from the FTSE 100 women directors

In an open-ended question, we asked women directors if they had any comments for women seeking directorships, and a number of them gave good advice. As figure 9 shows, the most frequent advice mentioned by almost half the women was to get known to headhunters.

"Make sure your interest is known by headhunters, as most NED appointments come that way."

It was also considered very important to network widely, despite the fact that research shows women to be less inclined to network instrumentally (Ibarra, 1992).

"The emphasis is on who you know, and networking is important."

Mentors were seen as useful in guiding women through the process. It was also important to network with something different to say.

"Don't be afraid to ask if you sit next to someone at dinner."

"Say things that are worth listening to at conferences etc."

It was important to build links to others who might be able to help, or provide information on possible opportunities, and one way was to volunteer for public and charitable appointments, which would give valuable experience as well as provide a wider range of contacts. Another way was to get the support of the CEO and chairmen, for example. It was also important to break out from a single industry.

"Use staff appraisals etc to ask bosses to arrange outside directorships as part of your development opportunities."

However, it was seen as important to understand what the non-executive directorship involved. Women were advised to "learn business-speak", to do their homework on the company; to learn how boards operate, and to learn to read balance sheets. They should be wary of taking too much on, and more than three non-executive directorships was not advisable except for the very experienced.

Some personal characteristics were seen as very relevant, for example, the need for confidence, for patience and persistence, and the need to be proactive, rather than waiting to be asked.

"Do not underestimate your capabilities and contribution"

It was important to be clear about what the organisation wanted in terms of skills and qualifications; and women should put their CV together in an interesting way, showing their expertise and experience.

Some women directors felt that the gender issue was not important.

"Forget that you are a woman – it's not relevant."

"I don't think the woman thing is relevant. Most companies are completely sex-blind at board level."

"Don't think of yourself as a woman."

However, others felt that there was still gender prejudice in the boardroom, and that women should be prepared for this.

"Be prepared to encounter prejudice."

The advice from existing female FTSE 100 directors is summarised in Figure 9. Further advice from women directors can be found in the chapter "Breaking into the Boardroom" in a new book, "Women with Attitude: Lessons for Career Management" by Susan Vinnicombe and John Bank, published in 2002 by Routledge. The book reports interviews with many of the previous winners of the Veuve Cliquot Businesswoman of the Year awards, including some women FTSE 100 directors.

8. WHAT CAN ORGANISATIONS DO TO GET WOMEN ON THE BOARD?

There is only a small pool of existing women directors, and as this report shows, these women receive more invitations to join boards as non-executive directors than they wish to accept. The talent pool needs to be widened, to include women as well as men, and not just for non-executive directorships but also for executive director positions.

Companies are now starting to take action to ensure that they develop the female as well as the male talent in their organisations, to provide the next generation of executive directors. Opportunity Now offers benchmarking of progress against stated goals. Cranfield School of Management offers executive programmes to develop effective women business leaders.

The absence of women directors is not good for the reputation of companies as employers of choice, and as excellent places to work. In addition, questions about the lack of women directors are being raised at shareholder meetings. This issue is highlighted by the fact that female managers are far more positive about promotion within their organisation when there are women directors already – the "I could do it too" factor. The Institute of Management survey (2001) revealed that 54% of female managers were positive about promotional opportunities in companies where there were women directors, compared to only 37% in companies where there were none. The symbolic value of women at the top of organisations for the more junior women should not be ignored.

One way forward is to move from the reactive mode of Equal Opportunities towards a more proactive Managing Diversity or Managing Capabilities approach (Dass & Parker, 1999). A recent report on managing diversity for strategic advantage was undertaken by Cranfield School of Management for the Council for Excellence in Management and Leadership (Singh, 2002), which describes how a number of organisations managed the transition from equal opportunities to managing diversity. A key part of that transition is measurement, so that progress can be identified and appropriate interventions designed (Singh, Schiuma & Vinnicombe, 2002)

Shell has taken an ambitious stance to get women into the top positions in the company, and therefore have written a case study on what Shell did to make progress on this issue. Two of their senior women were included in the Fortune World Power 50 Women list 2002 (Fortune, 2002), and a third was in the America's Power 50 list, so these women are seen to have 'clout'. Shell has taken a longer-term approach through diversity management. It has done this by investing in revision of processes and systems to allow for diversity management and its performance to be measured and improved, to the advantage of all employees, male, female, diverse in whatever form. They have not yet achieved their very stretching targets, but are making headway, as is shown in the case study which follows.

A CASE STUDY – SHELL AND THE TALENT PIPELINE TO THE BOARDROOM

Shell is tackling the issue of moving women into top positions, through a robust diversity and inclusiveness management process. This has the advantage of increasing opportunities and maximising potential not just for women but for other under-represented groups in an inclusive culture, so that the wider talent pool can be accessed and developed. The systemic and integrated nature of the Shell approach should facilitate sustainable progress.

Shell had a very clear plan for the implementation of diversity and inclusiveness, with a programme stemming from a recommendation in 1997 made by a specially commissioned Value Creation Team. As a result of the team's work Shell set Group-level targets for 20% female representation at senior executive level, including an aspiration for women to be on all Business executive committees. Shell appointed an experienced senior diversity leader; developed a Group Diversity Framework to provide high-level guidance on diversity management; appointed a Group Diversity Council chaired by the Chairman Royal/Dutch Shell Group to provide strategic direction and monitor progress; incorporated diversity plans in the annual business planning process; engaged over 4000 leaders worldwide in the implications of diversity management for their businesses; developed a diversity change agent network to catalyse action at grass roots level; integrated diversity into key HR processes and systems; introduced leader accountability for progress, established Diversity and Inclusiveness as a Group Standard, and reported progress against targets in the Shell annual report.

There are some key factors involved in this process. The first is developing awareness of the business case and establishing commitment right at the very top of the company, then communicating that commitment down to grass roots level. Targets are stretching, and publicised along with progress reports and are intended to drive changes in the way recruitment, development and promotion decisions are made. The Shell Global Standard on Diversity and Inclusiveness has to be seen as consistent and fair across the various divisions and operating units. There needs to be accountability for progress, everywhere in the organisation. Progress needs to be sustainable, and so the infrastructure has to be built and that takes time. Diversity management has to be integrated with HR processes, and at Shell, a key part of this is the Talent Review, which incorporates an analysis of the talent pipeline in each business from a diversity perspective. Part of building the infrastructure is identifying what data exists and what needs to be collected for the diversity progress indicators. All this contributes to changing the culture, along with changes in leadership behaviour.

In the first two years of this process, there was slow progress on the promotion of women. Since then, **Shell has increased the percentage of women senior executives from 4.8% in 1997 to 8.0 in 2001, but has set a tough target of 20% by 2008.** One aspiration already met is that women have now been appointed to all the executive committees. At middle management level, 17.7% were women in 2001, up from 15.4 in 1999. Several women's networks have been set up in various countries where Shell has employees.

Where are the senior women in Shell now?

Shell Transport & Trading Company has two women non-executive directors, Dr Eileen Buttle and Nina Henderson, and they are joined in the boardroom by Jyoti Munsiff, the Company Secretary. A number of women also sit on the operating company boards. These include Linda Cook, CEO Gas and Power, together with Ann Pickard and Liz Rayner, also on the Gas and Power board; Karen de Segundo, CEO of Renewables; Fran Keeth and Rosemarie Mecca on the Chemicals board; Carol Dubnicki on the Exploration and Production board. There are a number of other women in key senior executive positions, one of these being Judy Boynton Group Finance Director.

9. WHAT CAN WE LEARN FROM THE NORWEGIAN EXPERIENCE?

In Norway, women formed 7.5% of the directors of the largest private sector companies, much less than in the USA (12.4% of the Fortune 500 company boards) and just slightly more than in the UK (7.2%). Early in 2002, the Norwegian government decided to take positive action to increase the number of women directors on private sector boards, as there had been so little change. A similar strategy had worked in the public sector, and so a decision was made to drive change in the private sector so that by 2004, all public sector boards would have 40% female representation. All the political parties agreed that they would introduce legislation to enforce this if the private sector did not take steps to achieve the 40% target. In addition, annual equality reports would have to be made to the state. Government ministers were very visible in their support for the new initiative.

There was an outcry from companies that it was too difficult to find women directors, especially in some sectors where there were few women employees. The newspapers also printed comments from some women saying that the target of 40% was much too high. There were also comments that equality should not be mixed up with financial results as they concerned different outputs, and would be expensive for companies. However, within a few months, companies starting reviewing the situation in their workforces, to identify the hidden talent offered by their female managers, so that they could be developed to the best of their capabilities. An annual award has been set up for the best company in the Norwegian equivalent of the Female FTSE Index. Since the initiative was launched, the pace of female board appointments has increased, according to Hoel (2002). There is a sense of change in the air, and a 10% reduction of companies with no women directors at all from 48% in 2001 to 38% in 2002.

The Norwegian initiative relates to a somewhat different board structure in Norway compared to the UK. There is an advisory board, chaired by the chairman, with representatives from unions and local representatives and these are often women. There is also an executive top team chaired by the CEO, where there are very few women. The 40% target will apply to the overall number of women on both boards.

Norway provides a European example, or case study of how policy-makers might act if progress is not achieved in the UK. It would seem unlikely that 40% female representation would happen across the FTSE 100 companies without some formal initiative. At the moment, even 25% across the whole FTSE 100 seems an unlikely and ambitious target. But some chairmen are setting goals, and publicly, indicating that they too want to move to take advantage of diversity and bring fresh voices to their boards.

10. CONCLUSIONS

The Female FTSE Index 2002 indicates progress for women directors on a number of counts. There are more women directors than before, more women executive directors, more companies with more than one female director. We have identified an important factor in the relationship between the long tenure of some chairmen and the lack of women directors in their companies. We have also highlighted the success of the young finance directors. Our review of the barriers to women's advancement shows that women do have to contend with more issues than do their male peers in getting to the top. Nonetheless, although the percentages of women directors as a function of all available directorships are still very small, the progress is encouraging. We will continue to monitor these statistics and report again in November 2003.

The Russell Reynolds & Associates report (2002) on what makes a good corporate board showed that 74% of FTSE 100 chairmen thought international experience was desirable but there was little sense of a requirement to increase ethnic or gender diversity on boards. The different "voice" which women directors could offer, based on their often very different experience of organisations as women compared to men, is unlikely to be heard in many of those boardrooms for a long while. Also, it is unlikely that similar pressures to those used in Norway would be acceptable in the larger business world of the UK. But there is a way forward, in the current climate as the talent pool becomes international and the UK talent pool is opened up for international positions. Women need to make sure that they are in that talent pool, known to those who do the selection. Like the international women in the UK's top companies, the young British women can take advantage of the wider opportunities, such as international assignments, which will enhance their portfolio in readiness for promotion through that final obstacle – the glass ceiling can be cracked, but getting through it requires courage, persistance and planning.

However, there is an important independent review of directors in UK companies, and their roles and responsibilities, led by Derek Higgs, which will report shortly. Part of the remit was to review the appointment of directors to see what knowledge, skills and attributes are needed, and what can be done to attract, recruit and appoint the best people to non-executive roles. Higgs commented: "Clarifying the role of non-executive directors should help identify what sorts of people would be best for the job, how the pool of non-executives can be widened, and how we can ensure that they are as effective as possible" (DTI Website, 2002). Interestingly, Mr Higgs is a non-executive director of a FTSE 100 company (British Land) that has no women directors.

Some comments have been made in the press that women do not want to be involved with corporate governance. Others, including women MPs from both main parties, have commented that "more women directors would cut scandals", in light of the Enron case, as women are more open, transparent and are less inclined to build empires.

APPENDIX

CONTINUING BARRIERS FOR WOMEN MANAGERS

In this report on the few women directors in the top 100 UK companies, we need to say something about the remaining and persistent barriers for women managers. A brief overview therefore follows, so that readers can set the results into an informed context.

There is still a glass ceiling in the UK, although it appears to be located at a higher level than before, as women have now achieved around a third of middle management positions. But there are still many barriers blocking women's career paths to leadership positions (Oakley, 2000). Some of the barriers are related to the women themselves, some to their organisations, but many of the barriers are to do with the interaction between individual and organisation, where the experiences at work are different for women because they are not represented at higher levels of the organisation.

1. Women as Tokens

We can see that at top level in private sector firms, women are not yet breaking through the glass ceiling in significant numbers. Even when they do reach the top, there are still barriers to be faced in terms of acceptance and voice. Kanter (1977) identified that when minority groups formed less than 15% of the total group, they would be treated as tokens by the dominant group, and would be seen as representing their most visible cognitive category, for example, females, rather than individuals. As women progress into senior management, in many organisations they do not achieve more than token status. This leaves them isolated, always on the fringe, and seen by males as either representative of the stereotypical woman or otherwise domineering and lacking femininity. Such stereotyping tends to diminish the women's power. Once there is more than just a single woman, their position usually changes, and they are seen as individuals, according to research on women directors. The old boys club may be opening its doors to women but it does not necessarily yield up power and comfort.

2. Informal Promotion Processes

Following years of equal opportunities policy implementation, it is now more likely to be the informal processes within organisations that exclude women. The more senior jobs are often not offered openly across the organisation, nor are the selection criteria made clear. There is still the "tap on the shoulder" hidden promotion system in many organisations. Women only hear about the good opportunity after it has been given to a male colleague. Organisations can ensure that senior positions are openly advertised. As women are unlikely to put themselves forward unless they feel they satisfy almost all the criteria for the post, it is essential that clear and realistic criteria are given, so that women can see what is on offer now, as well as what they can aspire to later.

Promotion processes have in-built mechanisms that may discriminate against women, often because of women's non-continuous career paths. The use of position reached by age as a surrogate measure of success so far unintentionally discriminates against those who have had career breaks, maternity leave, and periods of part-time work. The use of long hours as a surrogate measure of commitment also discriminates against those who work effectively in the normal hours of work. Women's careers are often cyclic due to geographic relocations for family reasons, as well as periods of child and elder care. They are often unable to work additional hours and weekends as their male colleagues are able to do (many with the support of their wives). Many women accept that these features of their careers do have an inevitable impact on their work lives, and accept that they are making the choices to put family before work. But nonetheless, there appears to be a disproportionate impact when women in their thirties are written off the fast track when they take maternity leave, and are ineligible to start again or resume where they left off at a later time in their lives. In addition, the present model ignores the contribution that women make to the maintenance and reproduction of society, and the value of women's responsibilities and experiences outside work in their families and communities. Leaders should recognise that these experiences so typical of women's lives could make an important contribution to organisational life

3. Gender Stereotyping of Leadership

There is still gender stereotyping of leadership, which leads to women being seen or seeing themselves as less appropriate for leadership roles than men. As leadership development is driven by top management and is closely tied to the business agenda, there is a danger that the leadership concept is a reflection of the existing leadership and effectively excludes a diverse representation in management and leadership roles. One reason for this is that the concept of what a leader should be is carried unconsciously into promotion decisions or because the current leadership profile becomes embedded in competency frameworks and the organisation culture.

The transactional style preferred by men depends on position power and formal authority, whereas women leaders tend to have a more transformational style, based on personal respect, mutual trust, regard for the contribution that each team member can bring, and the development of individual and often diverse talent. Women tend to prefer to lead from within their group, sharing success and developing the next generation of managers. However, successful women in male dominated organisations, who have few female role models ahead of them, tend to emulate more masculine styles. Women without same gender role models often see their corporate leaders as very masculine in style and hence do not see themselves as fitting the model for leadership. This can lead to women feeling frustrated, scaling down their ambitions, or leaving if they see a blocked career path ahead. A better way of viewing leadership style is to move from the bi-polar male-female divide to consider masculinity and femininity as separate dimensions of the leadership construct (Vinnicombe & Singh, 2002). This allows an individual's style to be reviewed on both dimensions, so that leadership style could be high on the more expressive, feminine (transformational) as well as on the traditional instrumental masculine (transactional) characteristics. In this way, women are likely to see that they fit more of the profile of leadership, and extend their ambitions, rather than withdrawing from the competition. Those responsible for setting the values of the organisation, and designing training programmes for managers can integrate this more facilitative model of leadership, so that more women may see that they might fit the leadership mould in the future.

4. Women's Career Portfolios

Research shows that women's experience of line management positions, operational and budgetary experience are seen as crucial by CEOs when appointing new directors (Ragins, Townsend & Mattis, 1998). Examination of the female FTSE 100 directors' careers indicates that most of them do have such experience. Yet, often women are channelled into jobs that give them important-sounding titles but less power than their male colleagues, and which take them out of the mainstream career track. This is particularly so for technical women, who are often steered into HR or marketing posts, or specialist roles where they can work part-time when they need to, but where they are less likely to get to the very top. (A solid grounding as a technical specialist in early career can provide an excellent platform from which to move forward and outward.) A one or two-year assignment as executive assistant to the CEO might provide invaluable opportunities to learn what is and what is not effective leadership, to understand the politics, to gain exposure to influential people both within and outside the organisation, and to build networks of contacts for future sponsorship. But then moving out to an appropriate position is crucial, or the "glass walls" syndrome is likely to constrain progress just as much as the "glass ceiling". Women need to watch for themselves that their career portfolio is developing with the right kinds of experiences and responsibilities, and their advisors and mentors should help women to become managers and directors of their own career capital.

5. Women's Different Values

Women often do have different values to their male colleagues, and many women do not want a male lifestyle. For many women, the focus at work is on task accomplishment, with high standards, attention to detail and a need for challenge. In particular, women have different criteria for evaluating personal success in their careers. The traditional model of career success in organisations has emphasised the external criteria of hierarchical position and pay, plus the associated visible benefits such as company car, expense account and office size and furnishings. In contrast, women tend to value being seen as experts, and value the challenge and content of the job more than its status. More women than men see success as involving personal challenge, self-development, and the balancing of important parts of their lives such as family and work (Sturges, 1999). Hence, women tend to use internal criteria of success, rather than the external criteria assumed to be important in organisations. This has implications for the communication of ambition, and the management of motivation and rewards.

The other area where women tend to have very different views from men is over organisational politics, which women eschew and tend to ignore. Yet, this is the arena in which many connections are made, and relationships built. Women sometimes do not appreciate that there are positive as well as negative aspects of organisational politics for managers. Whist women are so few at senior levels where political skills are most needed, they often do not have an opportunity to learn how to deal with it in a safe environment. Coaching can be invaluable in preparing women for the next level. In addition, in-company mentoring can be extremely helpful, not only by explaining the implications of issues, but also by providing a sponsor who can gradually withdraw as the novice senior woman manager gains political acumen. This is a key area of importance for leaders to ensure that the culture at the top of the organisation allows women access to informal networks and information sharing.

6. Women and Impression Management

Despite their obvious visibility in the workplace, women somehow become invisible as management potential. Research on impression management (Singh, Kumra & Vinnicombe, 2002) shows that women are modest about their achievements, they tend not to want to push themselves forward, and their strategies for gaining visibility and recognition are based on delivering high performance and commitment. Their commitment is often less visible to their bosses, as women take on many good organisational citizenship roles which are not formally rewarded, and women do not promote their commitment as visibly as men. Whilst the high performance often does lead to recognition, it has to be coupled with information to the senior manager about ambition and career plans to have the greatest effect. Yet often, women do not want to be seen as ambitious, and many women do not have firm career plans until they are in mid-career.

7. Women, Corporate Culture and Power

Organisational culture can be seen as the interaction between individuals and groups in an organisation, or the values of individuals about their organisations and their interactions within the social setting which shape the organisation. The organisation can be seen as bearing the culture, through its rules, systems, norms, structures, rites, myths, heroes and stories (Thompson & Luthans, 1990). There may be many sub-cultures, in different departments, different locations and at different levels. Women rising in an organisation have to interact with these different cultures, learning how to operate effectively, to communicate appropriately. Women have to break through the traditional female subordination barrier, and yet manage their sexuality in an arena where women have not had powerful positions, and where men may fear their intrusion. Women have to manage their emotions particularly carefully, as well as their language, their dress and their social interactions with male colleagues and clients. They also have to deal with more junior women who may not welcome their success and may resist their authority. Where the culture is male-dominated, as at the top of most organisations today, women have to expend a lot of energy on understanding and acting appropriately in their jobs, often without female role models and without social support. They often seek to make male peers and superiors comfortable with their presence, to reduce the friction from having a different style and voice. This is energy which their male peers do not have to expend.

One of the most resistant barriers for women has been the old boys' network, an informal social grouping of those in power, who limit access to those who are similar to themselves either by background, position or personal characteristics. Whilst women may achieve senior posts, they do not necessarily gain entry into the network. The women are thereby excluded from social support, information and opportunities. This social closure does not only impact women but also those from ethnic minorities, as well as often those from a different class, or education. This is particularly strong in technological and professional organisations, where the right kind of signals endorsing qualification for entry have to be given to the gatekeepers. Challenging entry requires understanding of the underlying shared cognitive structures of the old boy community and their way of doing things. This is the kind of knowledge that can be communicated to protégés by mentors.

8. Women-friendly Training

Another barrier for women is the availability of appropriate training. Traditional MBA courses have been designed by and for men, and are based around male experiences and needs and male management models. These are different for women, who usually face managerial life as minority individuals, with often conflicting roles in work and home life. The percentage of women on MBA programmes worldwide seems to have stuck around 20-30%; this is a cause of some concern. It may be that women are less prepared to risk the investment in costly MBA programmes, as there is evidence that more women choose executive MBA programmes sponsored by employers. Certainly women with children have a more difficult time as MBA students, having to consider childcare and the support of the family needs, when there are expectations for evening and weekend study.

A major survey of men and women's experiences of MBA programmes suggests that whilst women value the MBA degree, they often view their experience as problematic, due to the aggressive and competitive nature of the course (Catalyst, 2000). There are not enough women faculty, so that the female view of management does not come across. Female students are spread thinly across study groups to balance them, and are expected to play social and even secretarial support roles by their male fellow students. There is also a lack of female and ethnic minority players in the case studies used so much in MBA courses. There is a critical view that the MBA is predicated on a masculinised set of practices, such as the centralisation of power in the classroom by male lecturers which reinforces male dominance.

Part of the issue is to do with the different ways in which women tend to learn best, and the stages through which they go in gaining knowledge. Men tend to learn by applying analytical rules, logic and models to facts given to them by the teacher. In contrast, women often prefer to learn by reflecting on their own experiences, identifying often vicariously with others involved in the issue, applying their experience and then developing their own model with a deeper and wider understanding than the purely analytical. The teacher's role is then comparable with that of a midwife in helping the individual to bring forth understanding and expression themselves, rather than being given the facts (Belenky et al, 1986). It is not just the design of the learning experience which is gendered, but also the MBA examination process, which tend to require marshalling of the facts rather than exploring a deeper understanding of the context.

Whilst women-only training programmes are offered both as electives on MBA programmes and as stand-alone executive development courses, there is often limited take-up as women do not want to be seen as "needy" by their male peers or managers. Yet such courses can be very supportive, enabling women to reflect on their experiences in male-dominated organisations and management structures and share with others. In this way, women can contribute openly and authentically, without internalising their problems and disregarding their differences, values and preferences to fit a male environment. However, it is important that such training should be additional to rather than instead of the usual management development.

9. Barriers to Ethnic Minority Managers' Careers

<u>Ghettoising of Ethnic Minority Managers</u>

Just as women tend to choose careers which have been feminised and have generally lower pay than average professional jobs, ethnic minority managers are often channelled into "ghetto" type jobs, particularly into health services and social work, dealing with services to ethnic minorities, and personnel departments. Black Caribbean minority graduates in the UK have been found to be less likely to get jobs with longer term career development prospects. Even the highly educated ethnic minority individuals often get opportunities only in the less popular areas of medicine and law, for example (Bhavnani & Coyle, 2000). However, when employment patterns are examined, there are strong differences between the various groups, for example, black women have very high rates of economic activity compared to Bangladeshi and Pakistani women.

<u>Promotion and Stereotyping of Ethnic Minorities</u>

Some research shows that evaluation of performance may be biased when ethnic minority individuals are assessed by whites. The way that people process information may lead to negative stereotyping. However, there is conflicting evidence on this. Seeking to clarify this issue, Powell & Butterfield (1997) studied top management promotions in the US Senior Executive Service. They found that whilst there was no direct impact of applicant race on promotion decision, there were significant indirect effects. These derived from the positive impact of already being in the hiring department, and having a shorter number of years of experience, both of which favoured white applicants. So the advantages accrued by the white candidates possibly due to involvement in internal networks gave them the edge over black applicants. However, women of colour did not experience the indirect negative effect of race. Powell and Butterfield advise that indirect effects as well as direct effects of race on selection and promotion processes should always be considered.

Whilst there is general endorsement of the principles of integration and equal access to opportunity, research in the USA indicates a more subtle form of discrimination at work, based on feelings that Afro-American workers are not sufficiently self-reliant or accepting of traditional work values, and in addition, are lazy or too pushy. Some whites restrain themselves from expressing racist views, and in business life, hardly any would do so, but in less obvious circumstances may act in discriminatory ways. Where managers have such feelings, they may informally communicate their views to their subordinates, who then act without reference to their own value system because of the legitimization by the manager. As far as recruitment and promotion is concerned, this is likely to lead to black managerial applicants being turned down on grounds of fit, especially where they are in token minority positions, because of implied messages from senior managers. The increasing importance of the "fit" for senior posts means that managers can exclude minority individuals to realise a seemingly reasonable business objective, for example to fit the customer base, which just happens to be middle class whites (Brief et al., 1997). Leaders and managers need to monitor informal as well as formal processes in their organisations as well as ensure adequate training so that such practices do not take hold.

Ratings of "potential" can be biased as well as evaluation of "fit". Kanter (1977) identified the phenomenon of homosocial reproduction, where white male managers were more likely to choose those similar to themselves for promotion. Such behaviour discriminates not only against women but also against the non-white minorities. Baldi & McBrier (1997) surveyed black and white promotions in the USA, and found that blacks were less likely than whites to gain promotion in firms where they had a substantial presence. However, there was a significant positive effect of education for blacks, but not for whites. Blacks were also more likely to gain promotion in bureaucratic organisations. Baldi & McBrier draw attention to the need for monitoring and clarity over promotion processes.

The Glass Ceiling for Ethnic Minority Women

The glass ceiling for ethnic minority women appears to be somewhat lower down the organisation than that for their white female peer group. There is evidence that black and ethnic minority women in the UK find their ethnicity more of a barrier to career progress than their gender (Davidson, 2002). The difficulties of the women in Davidson's study were related to their role as token black women, where they felt that they had to deliver higher performance, without same-colour role models, to counter stereotyping and ghettoization. In particular, these women felt disadvantaged by specific ethnic role expectations of them as typical of the stereotype "African mamma" or the "shy timid Asian" woman. Such lack of role models and pressures for performance lead many women to feel stressed and isolated, especially those in senior jobs. But, many ethnic minority women manage to create or maintain a positive self-image, enabling them to cope with the stress nonetheless, according to Davidson's study. In addition, the extra visibility of being female and black or other ethnic minority ensured that their good performance was widely known in the organisation, a considerable advantage when promotions or challenging opportunities were under consideration.

<u>Cultural Exclusion of Ethnic Minority Managers</u>

Cultural differences relating to alcohol and after-work mixed gender socialisation left some Asian women managers feeling excluded from informal networking opportunities that their peers enjoyed. Ethnic minority women in the UK reported having less mentoring than their white colleagues, only 43% reporting such support compared with around 90% of their white female peers. American studies have found that same race mentoring provides significantly more psychosocial support than mixed race mentoring, yet there are so few ethnic minority managers that same race mentoring can be difficult to achieve. In a UK study of ethnic minority female managers, 57% reported barriers at the entry level to their professional career, and half of them strongly believed that they had experienced racial discrimination which blocked promotion (Davidson, 2002).

10. Dealing with these Barriers

The implications of the above experiences for management are that disadvantages due to gender and ethnic minority status are complex and different from each other, so that careful and separate consideration needs to be given to potential solutions. Mentoring arrangements should be developed to provide more support to ethnic minority managers, considering their ethnicity as well as their gender. Career advice and succession planning should not lead capable ethnic minority potential managers into ghettoised or dead-end posts. The enablement of a strong self-concept in women and ethnic minority members of both sexes in early career would provide a response which could lead to reduce their stress and isolation, enhancing their performance, which would also benefit the organisation. Finally, leaders need to be mindful of the culture which they drive, and that regular monitoring of systems and processes is necessary to avoid the return of discrimination by the back door.

REFERENCES

Baldi, S. & McBrier, D.B. (1997) "Do the determinants of promotion differ for blacks and whites?", *Work and Occupations*, 24 (4) 479-498.

Belenky, M., Clinchy, B., Goldberger, N. & Tarule, J. (1986) Women's Ways of Knowing, Basic Books, New York.

Bhavnani, R. & Coyle, A. (2000) "Black and ethnic minority women managers in the UK: Continuity or change?" In Davidson, M.J. and Burke, R.J. (Eds.) *Women in Management: Current Research Issues Volume II*, Sage, London, pp 223-235

Brief, A.P., Buttram, R. T., et al. (1997) "Beyond good intentions: The next steps towards racial equality in the American workplace", *Academy of Management Executive*, 11 (4) 59-73.

Catalyst (1999) *1999 Census of Women Board Directors of the Fortune 1000*, Catalyst, New York.

Catalyst (2000) *Women and the MBA: Gateway to Opportunity*, University of Michigan, Ann Arbor.

Chartered Institute of Management (2002) Report on Pay 2002, reported in *The Evening Standard*, 17 October.

Daily, C.M., Certo, S.T. & Dalton, D. (2000) "International experience in the executive suite: The path to prosperity?", *Strategic Management Journal*, 21 (4) 515-523.

Daily, C.M., Certo, S.T.& Dalton, D. (1999) "A decade of corporate women: Some progress in the boardroom, *none* in the executive suite", *Strategic Management Journal*, 20, 91-99.

Davidson, M.J. (2002) "The black and ethnic minority woman manager". In Burke, R.J. & Nelson (Eds.) *Advancing Women's Careers: Research and Practice.* Blackwells, Oxford, 53-66.

Fortune (2002) "The World Power 50 Women", *Fortune,* 14 October 2002

Heard (2001) "Is the glass ceiling cracking for women?", *Practical Accountant,* July p. 56.

Hoel, M. (2002) *Kvinner I styrer og ledelse in norsk næringsliv, 2002,* (Women on boards and top teams in Norwegian business), Ledelse, Likestilling, Mangfold, Oslo, 2002.

Holliday, K.K. (2000) "No longer rare", *Financial Executive*, Nov/Dec 2000, 34-40

Ibarra, H. (1992) "Homophily and Differential Returns: Sex Differences in Network Structure and Access in an Advertising Firm", *Administrative Science Quarterly,* 37, pp. 422-447.

Institute of Management (2001) *A Woman's Place*, Institute of Management, London.

Kanter, R.M. (1977) *Men and Women of the Corporation*, Basic Books, New York.

Oakley, J. G.: (2000) "Gender-based barriers to senior management positions: Understanding the scarcity of female CEOs", *Journal of Business Ethics,* 27 (4), 321-334.

Powell, G.N. & Butterfield, D.A. (1997) "Effect of race on promotions to top management in a federal department", *Academy of Management Journal*, 40 (1) 112-129.

Ragins, B.R., Townsend, B. & Mattis, M. (1998) "Gender gap in the executive suite: CEOs and female executives report on breaking the glass ceiling", Academy of Management Executive, 12 (1) 28-42.

Russell Reynolds & Associates (2002) *What makes an effective board?*, RR & A, London

Singh, V. & Vinnicombe, S. (2001) "Women directors: Swimming, sinking or not even in the pool? Report on Female Directors in the Top 100 Companies Index 2001", *A Voice on the Board Conference,* Whitehall, London, November.

Singh, V. & Vinnicombe, S. (2002) "Elites and diversity: Women directors in top UK companies", *EGOS Colloquium*, Barcelona, July.

Singh, V. (2002) "Diversity: Think Different", *Director,* July 2002.

Singh, V. (2002) *Managing Diversity for Strategic Advantage*, Report by Council for Excellence in Management and Leadership, CEML, London.

Singh, V., Kumra, S. & Vinnicombe, S. (2002) "Gender and impression management: Playing the promotion game", *Journal of Business Ethics*, Vol 37 (1) 77-89.

Singh, V., Schiuma, G. & Vinnicombe, S. (2002) "Assessing diversity management performance", *Third International Conference on Performance Measurement Theory and Practice,* Boston, July.

Singh, V., Vinnicombe, S. & Johnson, P. (2001 Women directors on top UK boards", *Corporate Governance: An International Review*, 9 (3) 206-216

Sturges, J. (1999) "What it means to succeed: Personal conceptions of career success held by male and female managers at different ages", *British Journal of Management*, 10. 239-252.

Sunday Times (2002) "Non-execs still rely on friends", *Sunday Times*, 8 Sept 2002

The Business (2002) "The foreigners taking over at UK companies", 2 June 2002

Thompson, K. & Luthans, F. (1990) "Organisational culture: A behavioral perspective", in Schneider, B. (Ed.) *Organizational Culture and Climate,* Jossey-Bass, San Francisco, 319-344.

Vinnicombe, S. & Bank, J. (2002) *Women with Attitude: Lessons for Career Management* Routledge, London.

Vinnicombe, S. and Singh, V. (2002) "Sex role stereotyping and requisites of successful top managers", *Women in Management Review*, 17 (3/4) 120-130.

The Cranfield Centre for Developing Women Business Leaders

The Centre for Developing Women Business Leaders is committed to helping organisations to develop the next generation of leaders from the widest possible pool of talent. We are unique in focussing our research, management development and writing on gender diversity at leadership level.

The objectives of the Centre are to:

- Lead the national debate on gender diversity and corporate boards
- Provide a centre of excellence on women leaders, from which organisations can obtain the latest trends, up-to-date research and benchmark best practice
- Identify and examine emergent issues in gender diversity and leadership, through sponsored research in partnership with industry and government
- Share research findings globally through conferences, workshops, academic articles, practitioner reports and in the international press.

Professor Susan Vinnicombe

Susan is Professor of Organisational Behaviour and Diversity Management at Cranfield School of Management. She is the Director of the Centre for Developing Women Business Leaders. She is internationally known for her research and consultancy work, and is an active campaigner for getting more women on major corporate boards. Her latest book is entitled "Women with attitude: Lessons for career management", published by Routledge in 2002.

Dr Val Singh

Val is Senior Research Fellow in Organisational Behaviour, at Cranfield School of Management where she undertook her doctorate. She works in the Centre for Developing Women Business Leaders, undertaking research projects on women leaders and diversity management, and lecturing on research methods for doctoral students. She has published widely, in both academic and practitioner journals, and has spoken about her research at many international conferences.